

## IT Management – Moving in the right direction

### **Myth: IT spending is out-of-control.**

Reality: As a percent of the total state budget, IT spending requests in the executive budget were 4.68% in the 01-03 biennium, 3.61% in the 03-05 biennium and 3.6 % in the 05-07 biennium. While there were some differences in methodology over time because the budget process was refined, clearly, IT spending is not a growth area. In fact it represents a small fraction of state spending.

### **Myth: Agency IT operating costs are increasing.**

Reality: On a statewide basis, state agency infrastructure spending decreased from \$108,121,762 for the 03-05 biennium to \$106,662,487 requested for 05-07. Cost increases for ConnectND and four year replacement cycles were absorbed because of cost reductions in ITD rates for telephone and the mainframe, efficiencies achieved by consolidation, and reduced equipment costs provided by the state contract in addition to agency cost control measures. We are able to do more with less because we look for new and better ways of doing things on a continuous basis.

### **Myth: The legislature has no visibility into IT projects.**

Reality: The legislature receives information on IT projects gathered through the IT planning process. The list of projects requesting general funds was prioritized by the SITAC and provided to the legislature. They have the ability to establish the spending level for these projects. For the 05-07 biennium, \$59,149,267 was included in the Executive Recommendation for projects with only 19% funded from general funds.

Reality: During the biennium, the IT committee receives the cost-benefit analysis for every large project when they start up and status reports on a quarterly basis. At the end of the project they receive a post-project report indicating whether the project objectives were met.

### **Myth: There is a lot of duplication in IT resulting in increased cost.**

Reality: We have implemented single, standard solutions in a number of areas that make us the envy of other states.

For example:

- StageNET, a single wide area network with video conferencing capabilities for K-12, higher education, and government.
- ConnectND, a single suite of administrative solutions for human resource management, financial management and student information systems for state government and higher education.
- FileNET, a centralized solution for document management.
- Consolidated e-mail and file and print solutions.
- GIS, a centralized hub and resources for the sharing of geospatial data.
- CJIS, a growing suite of applications and a centralized hub for sharing data.
- A centrally managed telephone service for state government and state contracts for local, long distance, and cellular services.

- The state portal provides a single entry to online services. Guidelines have been established for common features.
- E-mail spam and virus protection measures have been implemented.
- Active Directory has been implemented to provide single sign-on capabilities across multiple applications.

Reality: Many agencies have special applications unique to their agency. For the most part, agencies are interested in working together to eliminate duplication and reduce their costs but business-specific applications will continue to require unique solutions.

Reality: Every instance of duplication will not be eliminated overnight. The enterprise architecture process has been established to identify and prioritize areas that provide the greatest efficiencies and chance of success. Projects are underway to evaluate a time and labor solution, an IVR solution, a reduced set of development tools, monitoring tools and support desk

**Myth: Information technology requires a one time investment.**

Reality: Just like any other major investment (a house, a car, a building), technology assets needed to be maintained and replaced. Depending on the type of asset, those maintenance costs and replacement timeframes differ. The state has developed a four year replacement cycle for PCs because beyond that time, the maintenance and support costs outweigh the replacement costs. Large, critical applications also need to be maintained and replaced on a less frequent basis. In the 03-05 biennium, the state made a large investment in replacing aging financial, human resource and student information systems. The MMIS and Tax system are aging and also need to be replaced. Agencies plan for these replacements based on the availability of funding sources, the risk of system failure, maintenance cost increases and the need for additional functionality.